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SUBJECT: AMBASSADOR RIES CALLS ON GREEK MINISTER OF AGRICULTURE

1. (U) SUMMARY: Ambassador Ries paid an introductory call on Greek Minister of Agriculture Evangelos Basiakos on February 22. Ambassador discussed the USG's three prime objectives for agricultural trade with Greece: (1) to retain the U.S. market for conventional corn- and cotton seeds for planting in Greece; (2) to recover the \$12 million wheat market in Greece; and (3) to gain the GoG's support for restarting U.S. poultry meat imports into the EU. END SUMMARY.

2. (U) In a meeting with Minister of Agriculture Basiakos on February 22, Ambassador Ries addressed issues whose resolution will help promote agricultural trade between the U.S. and Greece. First, Ambassador urged that the GoG should follow a clear, scientific standard when testing conventional corn and cotton seeds for adventitious presence of biotech material. Basiakos responded that the GoG continues to follow the 2001 Greek Ministerial Decision and has not imposed additional restrictions. In the spring of 2004, however, the GoG intensified testing for adventitious presence so as not to be caught out by "gotcha" NGO testing. The Greek Ministry of Agriculture increased the testing sample size and increased the incidence of testing with the consequence of positive findings for biotech content in 75 percent of the seed lots tested -- compared with less than 10 percent under the previous interpretation. Because the essence of the issue is the GoG's interpretation of the Ministerial Decision, Ambassador noted that the U.S. is asking the GoG to change its approach to the protocol rather than the protocol itself.

3. (U) Second, Ambassador encouraged the GoG to take steps to allow U.S. wheat to re-enter the Greek market. After the 1996 discovery of karnal bunt in the U.S., the U.S. lost the \$12 million wheat market to Canada when Greece instituted a difficult and scientifically unjustifiable protocol for karnal bunt testing. A 2000 Greek Ministerial Decree allows the importation of U.S. cereals, however, some of its elements pose undue risk to traders. For example, the length of time an importer must await laboratory testing results while the cargo is kept in declared storage facilities is unspecified -- this poses a risk to the importer, who is responsible for the cargo, despite it being out of the importer's control. While Greece has imported very little U.S. wheat since 2000, it has imported Mexican wheat seeds for planting without imposing karnal bunt restrictions on these seeds despite the fact that Mexico is also affected by karnal bunt. Further, Ambassador noted that Italy has developed a scientific method that allows for the importation of good quality U.S. wheat, and he offered to engage Italian officials to help overcome this issue in Greece.

4. (U) Finally, Ambassador urged the GoG to support a change in EU regulations to allow the resumption of poultry meat imports from the U.S. Although the EU banned imports of U.S. poultry meat because of chlorine use in U.S. production facilities in 1997, the U.S. and EU have since resolved the relevant scientific health and safety issues. EU members, however, are linking the U.S. poultry issue to the EU swine fever issue and refusing to restart U.S. poultry imports. Ambassador argued that the EU should not link sanitary and phyto-sanitary (SPS) issues. Basiakos replied that the U.S. should not link the rice dispute to Greek peaches. Ambassador distinguished the rice dispute by noting it related to a market access binding the EU was proposing to break. The WTO is based on an exchange of market access commitments, and provides for withdrawal of concessions in cases where a member fails to meet obligations. This is different from the SPS provisions, where WTO members are obligated to implement controls consistent with science and health requirements, but are not authorized to link one SPS action to another.

RIES